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AN AGENDA FOR DEVELOPMENT

Conclusion of the high-level segment of the Economic and Social Council (28-29 June 1994)

Summary and conclusions by Ambassador Richard Butler AM, President of the Economic and Social Council

The high-level segment of the Economic and Social Council was held at United Nations Headquarters on 28 and 29 June 1994. It was devoted to the theme "An agenda for development". It was preceded, on 27 June, by a high-level policy dialogue between the Council and the executive heads of the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD).

Summary

The state of affairs

The following main relevant features of current global economic and social conditions were identified:

While growth has resumed in the world economy overall, it is spread very unevenly and is by no means secure;

A number of developing countries now play a key role in the world economy, yet the magnitude and spread of extreme poverty has increased greatly. Today, more than 1 billion people live in extreme poverty;

Overall, the gap between developed and developing countries continues to widen. It reflects the marginalization of some developing countries in respect of the main determinants of international trade, money, finance, technology, and information and communication flows;

Notwithstanding stronger growth in some developed countries, unemployment rates remain alarmingly high;

Integration/globalization in the global economy is now one of its fundamental pervasive features;

Sustainable development needs to be pursued;

Levels of official development assistance continue to decline. There is a crisis of official development assistance characterized by a stagnation, in some cases a reduction, in aid budgets, contrary to the agreed target of 0.7 per cent of gross national product;

Globally, levels of direct private investment in developing countries are increasing, although such investment is spread unevenly and cannot, in many cases, be a substitute for official development assistance;

Emergency assistance is now absorbing a significant proportion of the resources being made available to developing countries by the United Nations;

An increasing portion of economic growth in world trade is being generated by some developing countries. This is positive for the global economy and points further towards the need to support growth in developing countries;

The completion of the Uruguay Round of multilateral trade negotiations of the GATT and the creation of the World Trade Organization hold out the prospect of significant benefits to the world economy. While the benefits of the Uruguay Round should be equal to all, they could be uneven initially. They will depend, in part, on sound export-oriented policies. Their wider or complete realization requires the implementation of the transition arrangements for developing countries and the forging, as appropriate, of greater coherency between trade, monetary and finance policies, as well as the prevention and redress of unilateral actions of a protectionist nature;

In the present decade, a considerable number of developing countries have implemented trade liberalization measures, such as reducing their tariff rates. This is a positive trend, which should be accompanied by similar measures on the part of developed countries where that has not already occurred;

The debt burden remains a constraint on the development efforts of many developing countries, particularly the least developed countries, which continue to experience severe debt-service difficulties. This situation continues to impede development efforts.

Special attention needs to be given to the least developed countries and the most vulnerable groups. The continuing critical economic situation of Africa constitutes a failure of serious proportions in itself and in the global economy;

The obstacles to economic and social development being experienced in the economies in transition are serious intrinsically and in global terms;

The situation of women in the global economy, especially in poorer countries, is a cause for deep concern in human and social terms and constitutes a serious failure of utilization of a highly productive resource in economic terms.

Priorities

In the debate on the theme "An agenda for development", the following issues were identified as being basic to contemporary circumstances and/or needing to be addressed if a new agenda is to be implemented:

The need for political agreement among all States to assign priority in policy, actions, and allocation of resources for global economic and social development - that is, for improving significantly the standard of life of the very considerable number of the world's people who live in developing countries. A new agenda must be action-oriented, based on a spirit of partnership, and give due attention to national specificities;

This commitment would be based on recognition of both qualitative and quantitative goals, the need to distinguish between urgent and deep-seated tasks, and the fundamental importance of economic growth and of sustainable development;

Recognition of the fundamental right to development, as stated in the Vienna Declaration adopted by the World Conference on Human Rights, and of the linkage between peace and development, and recognition that democracy, development and respect for human rights and fundamental freedoms are interdependent and mutually reinforcing;

The importance of economic growth and social justice which includes the promotion of equality of opportunity for all members of society;

The United Nations has a unique opportunity to act now on a new agenda for development. Present circumstances will not necessarily prevail for long. Failure to seize this opportunity could have widespread and deeply damaging effects because of the existence of conditions in the world economic and social situation which are global and interlocked;

Development is a global issue. There is a need to recognize the diversity of the developing world and to strengthen differentiated and comprehensive approaches, as well as both North-South and South-South cooperation;

It is essential that all relevant actors be involved in a new agenda - institutions of civil society, non-governmental organizations and the

private sector, as well as Governments and international organizations. An agenda which is simply auto-suggestive will fail;

A new agenda for development must be centred primarily on people. While recognizing the importance of overall economic development needs, action programmes must give appropriate priority to the education, health and welfare of people. Within this framework, institutions - both governmental and those of civil society - need to be strengthened;

A concerted attack must be made on the grinding poverty that afflicts over 1 billion people. Action must be directed particularly towards the elimination of its underlying causes. Special attention must be given to the least developed countries and, in particular, to Africa;

The status of women must be given particular attention. Women must be integrated into decision-making and mainstream economic activities. The economic and social return on investment in their education, health and welfare is greater than that on almost any other comparable investment;

Among the constraints to development is rapid population growth. A new agenda should incorporate clear and effective population policies within the context of overall sustainable development;

The issues of declining national official development assistance and the growing proportion of multilateral development funds being devoted to emergency rather than development purposes must be addressed;

An agenda for development must consider the fundamental role of science and technology, particularly for developing countries. It should identify ways and means of improving and facilitating the access and transfer of technology to developing countries;

External factors such as trade, debt, commodity prices, transfer of technology and financial flows are critical to the success or failure of the domestic efforts of developing countries;

Regional economic integration is complementary to multilateralism. The process of regional integration should contribute towards an open trading system;

Governments have a prime responsibility to ensure the framework conditions for development based on self-help efforts;

It has become clear that United Nations machinery operates today in ways that are inadequate to the present challenge. There is no support for the establishment of new machinery but an insistence that the present machinery be made to function vastly more effectively than at present, particularly at Headquarters. At the field level, the resident coordinator system must continue to be strengthened;

Action to make United Nations machinery operate more effectively should begin by identifying the areas of work in which the United Nations has a comparative advantage and shedding those areas in which it does not;

A stronger role for the United Nations in development, including in the operational field, is needed. The role of the United Nations in relation to that of other actors also needs to be clarified. This would facilitate action-oriented recommendations by the Secretary-General for the United Nations system in the implementation of an agenda for development;

There is considerable room for improvement in the relationship between the United Nations and the Bretton Woods institutions. The social dimensions of structural adjustment programmes also require further attention.

Conclusions

The concluding remarks made by the President of the Council are set out below.

The statements made during the high-level segment of the Economic and Social Council, the World Hearings on Development and further consultations with members of the Council, pointed towards issues of central priority for action on an agenda for development. Decisions on such action will be considered by the General Assembly.

To facilitate that consideration, the Secretary-General will submit a further report on an agenda for development to the General Assembly at its forty-ninth session. I hope that, in formulating his report, he will take into account the priorities recorded in the present document.

In addition, with respect to the activities of the United Nations development system, much was said in the Council about the need for greater clarity with respect to the comparative advantages of that system.

In this context, I believe two basic considerations are relevant:

The United Nations disposes directly of only a fraction of global resources relevant to development;

At the same time, the United Nations has uniquely at its disposal the ability to build consensus for globally relevant political decisions. This is its central comparative advantage.

If that advantage is exercised on the basis of an accurate analysis of relevant data, it should assist those who dispose of very significant resources to commit them in ways compatible with the priorities identified by the United Nations and thus join with the United Nations in the crucial enterprise of development.